

# **Exhibit D**



*EVERYTHING IS JUST  
THE BEGINNING!*

**CONFIDENTIAL INFORMATION MEMORANDUM**

**GTV Media Group, Inc.**

**April 20, 2020**

**PRIVATE AND CONFIDENTIAL  
NOT TO BE REPRODUCED**

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (“SEC” OR “COMMISSION”) NOR ANY STATE SECURITIES ADMINISTRATOR HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CONFIDENTIAL INFORMATION MEMORANDUM OR THE MERITS OF AN INVESTMENT IN THE SECURITIES DESCRIBED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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**GTV Media Group, Inc.**

## **Confidentiality and Disclaimer**

This confidential information memorandum ("Memorandum") is intended for discussion purposes with select parties interested in evaluating an opportunity to invest capital into GTV Media Group, Inc. (the "Company" or "GTV Media"). GTV Media is a newly formed company incorporated in April 2020. All descriptions of the business of GTV Media in this document refers to business GTV Media intends to do in the future. There is no guarantee that GTV Media will enter into those identified businesses or that GTV Media will be successful in those business.

By accepting this Memorandum, the recipient agrees that neither it nor its agents, representatives, directors or employees will copy, reproduce or distribute to others the memorandum, in whole or in part, without the prior written consent of the Company. The recipient also agrees to keep confidential all information contained in the memorandum which is not already in the public domain and to use this memorandum for the sole purpose of considering an investment in the Company. This confidential memorandum is subject to completion, amendment and, if appropriate, correction.

Neither GTV Media, Saraca Media Group, Inc (GTV Media's parent company) nor any other party mentioned herein shall have any liability for omissions from, or any express or implied representations in, this memorandum or any other written or oral communication transmitted to any party, and any such liability is expressly disclaimed. Only those particular representations and warranties, which may be made in a definitive agreement, when and if one is executed, will have any legal effect.

This memorandum includes certain statements, estimates and projections provided by management of the Company with respect to the anticipated future performance of the Company. Such statements, estimates and projections reflect significant assumptions and subjective judgments concerning anticipated results. These assumptions and judgments may or may not prove to be correct and there can be no assurance that any projected results are attainable or will be realized.

You may not rely upon this document in evaluating the merits of participating in any transaction referred to herein. This document contains only selected information and does not purport to be all-inclusive or to contain all of the information that may be relevant to your participation in any such transaction. This document does not constitute and should not be interpreted as either a recommendation or advice, including investment, legal, financial, tax or accounting advice.

This document does not constitute an offer or invitation to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment for the purchase or transfer of securities. The sole purpose of the Memorandum is to assist Interested Parties in deciding whether to proceed with a further investigation and evaluation in connection with their consideration of the investment. Accordingly, Interested Parties will be responsible, at their own cost, for obtaining or verifying to their satisfaction all information they consider necessary for their own independent evaluation.



**GTV Media Group, Inc.**

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Any person receiving this document and wishing to affect a transaction discussed herein, must do so in accordance with applicable law. Any transaction implementing any proposal discussed in this document shall be exclusively upon the terms and subject to the conditions set out in the definitive transaction agreements.

This memorandum will remain property of the Company, which reserves the right to require the return of the memorandum, together with any copies or extracts, at any time. GTV Media reserves the right, in its sole and absolute discretion, to reject any and all proposals made by or on behalf of any Interested Party to terminate further participation in the investigation and proposed process by, or any discussions or negotiations with, any Interested Party at any time or to terminate the proposed process at any time. GTV Media does not intend to update or otherwise revise this Memorandum after the date hereof, but reserves the right to adjust deadlines at any time as it sees fit to meet its own needs and will inform Interested Parties as required.

## **Contact Information**

Questions relating to the information containing in this Memorandum and requests for additional information should be directed to GTV Media.

The contact details are:

GTV Media Group, Inc.  
162 E. 64th Street  
New York, NY10065  
United States

Telephone (Text and WhatsApp messages only):  
+1 (347) 439 5584



GTV Media Group, Inc.

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## FORWARD LOOKING STATEMENTS

Some of the statements in this Memorandum constitute forward-looking statements. These statements relate to future events or the Company's anticipated future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms and other comparable terminology. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements. All forward-looking statements should be read with caution with the understanding that many factors both within and outside the control of the Company and its management will likely lead to future results, levels of activity, performance or achievements materially different from those projected or anticipated at this time.



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## 1. Vision, Mission and Goals

### 1.1 Vision

To become the world's most trusted platform between China and the rest of the world.

### 1.2 Mission

To build the most popular and safest social media and transaction platform independent of the Chinese government's censorship and monitoring, allowing the people of China and the world to realize the freedom of speech and trade.

### 1.3 Goals

- To create a unique and the only news-focused social media platform revealing the truth about China;
- To build an online business trading platform, free of control by the Chinese Communist Party, focused on the 1.4 billion Chinese people for their personal and business transactions;
- To be the safest platform to advocate for TRUTH, FREEDOM of speech and religion, justice, human rights and democracy in China; and
- To be a bridge between China and the Western world, and allowing for free and open communication, business transactions and trading, uncensored by the Chinese government.

## 2. Background

GTV Media was established in Delaware, U.S.A on April 17, 2020 by Saraca Media Group, Inc. ("Saraca"). Saraca and its sponsor, Mr. Wangui Guo, have been operating independent news and social media platforms, including Guo Media, GNews and GPost for nearly three years, accumulating a vast audience and wide support. Recently, Saraca established a new web and mobile application channel named GTV, a news-focused social media platform. The channel has not been



officially launched yet but the initial response for this new channel during the testing period has been enormous. The initial testing of the web version of GTV for one week (from April 5, 2020 to April 12, 2020) attracted over 97,994 unique visitors and over 774 million view requests. Saraca decided to establish a new company, GTV Media, to own and operate the GTV channel in the future. Saraca will contribute all assets of the GTV channel to GTV Media.

Saraca is a leading company in reporting truth and original news about China and exposing the corruption of senior Chinese government officials. GTV Media's core business will be to operate the GTV website (<https://web.gtv1.org> for the testing version; with the official version found at <https://gtv.org>) and the GTV Mobile Applications (which can be downloaded in the Apple Store G-TV: social networking).

GTV Media is the first ever platform which will combine the power of **citizen journalism** and **social news** with state-of-the-art technology, big data, artificial intelligence, block-chain technology and real-time interactive communication. With the tight censorship of all the media and news content by the Chinese government, the Western world and the people of China have no way to get the truth about China. With the combination of citizen journalists and technology, GTV Media plans to deliver first-hand, original and true information about China to the world and the people of China. Our business plan for the GTV channel will includes incorporating the following key features:

## ***2.1 Our plan to allow the Chinese people to communicate freely with the western world:***

- Which should enable 1.4 billion Chinese and millions of overseas diasporas to use the internet and world business information safely and freely for personal communication, meetings, and business transactions;
- Becoming the only real-time interactive communication platform for all Chinese people to exchange information, socialize, conduct business meetings, and exchange political information with the United States and the Western civilized world; and



- Having Chinese and English versions currently, allowing a truly a multilingual social media platform to be developed.

## ***2.2 Our plan is to become the most reliable and trusted online trading platform in the United States and the Western world***

- The GTV platform is registered in the U.S. and subject to the supervision and protection of the U.S. laws;
- Will utilize state-of-the-art technology including big data, artificial intelligence, 5G, and the blockchain payment system (G coin);
- Will become the only advanced and intelligent online trading platform that allows Western and Chinese people to make transactions with full confidentiality and with mutual respect.

## ***2.3 With the goal of becoming a fair-trading platform between China and the West***

- To establish a business platform that respects intellectual property rights, and introduces American and other Western countries' products to the vast Chinese market legally, fairly, and without political manipulation;
- By following international best practices and regulations to establish and develop an integrated system for personal information exchange, payment and auction; and
- Covering a vast market of 1.4 billion Chinese people and many more billion people worldwide.

## ***2.4 We intend to become a multi-functional information platform***

- With fair-trade online information, technology, commodities, and auction platforms;
- Capable of engaging hundreds of millions of supporters who pursue the rule of law, democracy, and freedom in China and have supported the *Exposé Revolution* which exposes corruption, obstruction, illegality, brutality, harassment, and inhumanity in China in the past few years;



- Utilizing vast resources of Chinese social media (live and recorded videos) that have been inspired by the *Exposé Revolution*;
- Combining the industrious wisdom of the East and the norms and laws of the West, it will provide opportunities and a platform for millions of *Exposé Revolution* supporters to do business including opening online stores and conducting technical product transactions.

**2.5 We will seek to combine the advantages of various existing media platforms to become a unique and comprehensive information platform with great potential**

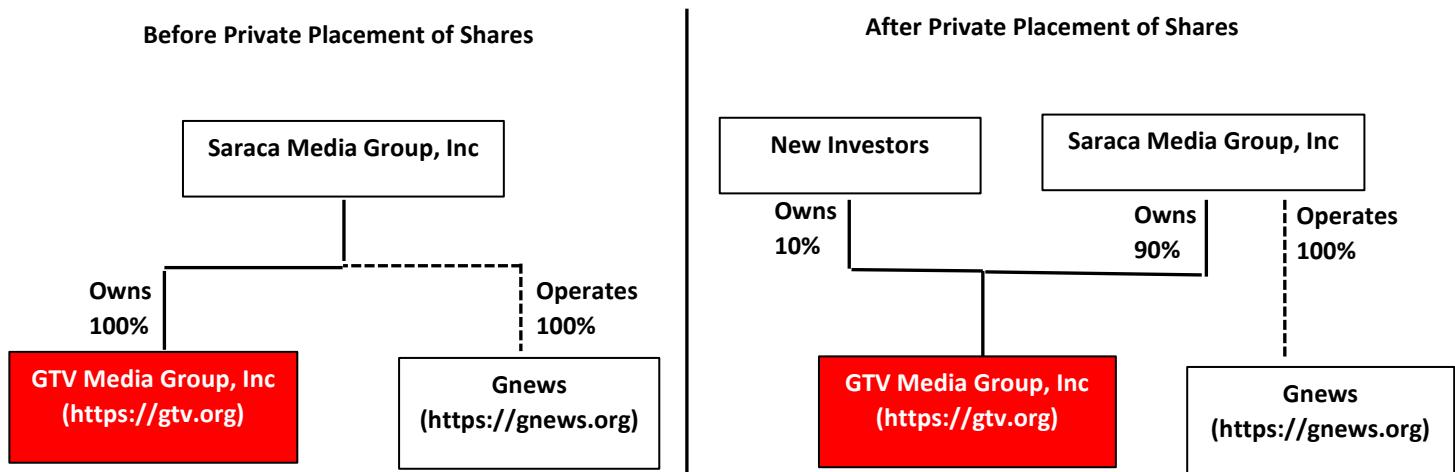
- To make full use of modern artificial intelligence, blockchain and 5G technology;
- To combine the advantages of various existing media platforms and integrate their superimposed value; and
- To fill in their gaps and meet the needs of a wider range of customers and markets, especially those where existing media platforms are being restricted in the west.

### **3. Proposed Transaction**

GTV Media plans to attract the supporters and friends of Saraca and *Exposé Revolution* as investors (“Investors”) in order to: capture the growth opportunity in the social media industry; finance future growth; strengthen technology and competitiveness; and ultimately maximize shareholder value.

Investors identified by GTV Media will have an opportunity to subscribe for newly issued shares of common stock of GTV Media. GTV Media intends to issue a minimum of 20 million new shares and a maximum of 200 million new shares to Investors at a price of US\$1 per share.

The group structure of GTV Media before any private placement of shares and after the private placement of shares (assuming all 200 million new shares are fully subscribed) are envisaged to be as follows:



#### 4. Use of Proceeds

GTV Media plans to use the proceeds from a private placement to expand and strengthen the business. The contemplated use of proceeds is as follows:

Description	Percentage of Proceeds
Acquisition of companies to strengthen and grow GTV	Approximate 70%
Upgrade of GTV technology and security	Approximate 10%
Marketing	Approximate 8%
Working capital	Approximate 7%
Other	<u>Approximate 5%</u>
Total	100%



## 5. Investment Highlights

The key planned attributes of GTV Media are highlighted below:

- the only uncensored and independent bridge between China and the Western world, providing not only the truth about China to the Western world but also the true and uncensored news about the Western world to the people of China;
- the only trusted platform for participants to freely and safely expose truth about China;
- GTV Media believes that the Chinese media censorship firewall will be destroyed. At that time, GTV will not only become the only trusted global media platform about China but also will become the largest trusted media platform in China;
- GTV Media shall become the freest and safest platform with 24/7 free information exchange, online voice and video, personal and business meeting capability providing:
  - ✓ Conference system (competitors include ZOOM and others)
  - ✓ Personal trading system (competitors include WeChat, TikTok and others)
  - ✓ Social platforms (competitors include WeChat, TikTok, Youtube and others)
  - ✓ Business conference supporting system (competitors include Zoom, Cisco, Citrix and others)
  - ✓ Online trading system (competitors include Alibaba, Amazon, Ebay and others)
- Unparalleled multi-broadcast and multi-person video conference supporting system;
- Original content: All content, news and views on the GTV platform will be original and first-hand information;
- Specialist: GTV Media has a large team of social journalists (including officials with judicial and moral integrity) across China providing accurate and latest news reports;



- Global: GTV has a 24/7 translation team, offering information and videos in Chinese and English. More languages will be added in the future.

## 6. Board of Directors and the Sponsor

### 6.1 Responsibility

The Board of Directors of GTV Media is entrusted with the responsibility for the overall management of the Company. Among other things, the Board's responsibilities include:

- Setting strategy and direction of the Company
- Setting the corporate policies
- Monitoring managerial performance
- Establishing necessary and appropriate board committees dealing with such matters including, among others, remunerations, financial audit, governance monitoring, risk assessment control.

### 6.2 Composition

Currently, 3 executive directors have been appointed. The Company will invite 5 non-executive directors with financial, accounting, legal and management backgrounds. In addition, the Company is considering providing a director's seat to represent the new private investors.

#### 6.2.1 Executive Directors

- **Yvette Y. Wang, Executive Director:**

- ✓ Ms. Wang is experienced in management, financial investment and merger and acquisition. She is instrumental in building Saraca's media business. Prior to joining Saraca, Ms. Wang was involved in many landmark transactions in China, including the financing of the Pangu Plaza project in Beijing, participated in the merger of the China Founder Securities and Minzu Securities and the multi-billion dollars investment into Haitong Securities. Ms. Wang is well-connected to many



senior government officials in U.S. and Europe and has completed many projects in those countries.

- **Max Krasner, Executive Director:**

- ✓ Mr. Krasner is an accounting and finance professional with over 10 years of experience. He has vast experience in managing sophisticated projects, project and financial analysis, team management and training. He is in-charge of Saraca's financial and accounting function. Mr. Krasner graduated with a double major in finance and economics. He also obtained a master degree in accounting and financial management from Keller Graduate School of Management.

- **Daniel Podhaskie, Executive Director:**

- ✓ Mr. Podhaskie is an attorney and has held roles as outside and in-house counsel for over ten years, advising prominent clients such as Wengui Guo, the Trump Organization, Carlos Slim, and JPMorgan. He has advised on multi-million-dollar contracts involving real estate, intellectual property and asset purchases, in addition to guiding successful litigation strategies in both domestic and cross border disputes. Mr. Podhaskie is the Managing Director of the Rule of Law Society IV, Inc., a registered 501(c)(4) that advocates for freedom of speech to and the rule of law in the People's Republic of China. Mr. Podhaskie obtained a Bachelor of Science, *cum laude* from Saint John's University in New York, and Juris Doctor, *cum laude*, from Touro College Jacob D. Fuchsberg Law Center. He has been recognized by his peers for his achievements and has been selected to the Super Lawyers New York Metro list for New York from 2017 through 2019.

### **6.2.2 Non-executive Directors**

- **John A. Morgan, Non-executive Director:**

- ✓ Mr. Morgan is an Olympic champion and the founder and Chairman of Morgan Joseph. His father, Henry Morgan, was



the co-founder of Morgan Stanley and his great-grandfather was J.P. Morgan, founder of J.P. Morgan & Co. Prior to founding Morgan Joseph, Mr. Morgan was the Vice Chairman of Smith Barney in charge of the firm's merger and acquisition activities. Mr. Morgan served as a trustee of the Provident Loan Society of New York and as a director of the Pierpont Morgan Library. Mr. Morgan graduated from Yale University with a Bachelor of Arts degree.

- **Stephen K. Bannon, Non-executive Director:**

- ✓ Mr. Bannon was CEO of Donald Trump's 2016 presidential campaign. At the White House, he served as Chief Strategist and Senior Counselor to the President. Mr. Bannon is the founder of Citizens of the American Republic, a 501(c)4 that advocates for populism and economic nationalism. He is an award-winning documentary filmmaker and the former Executive Chairman of Breitbart News. A Goldman Sachs M&A banker, Mr. Bannon has a Master degree in National Security Studies from Georgetown University and an MBA from Harvard Business School. He was a Surface Warfare Officer serving aboard the USS Paul F. Foster (DD-964) in the western Pacific, Arabian Sea and Persian Gulf. He served at the Pentagon as a Special Assistant to the Chief of Naval Operations.

- **Kyle Bass, Non-executive Director:**

- ✓ Mr. Bass is the Founder and Chief Investment Officer of Hayman Capital Management, an investment manager of private funds focused on global event-driven opportunities. Mr. Bass has managed private funds with strategies focused on sub-prime credit, European sovereign credit, the pharmaceutical industry, China, and Hong Kong. Mr. Bass is a member of the Board of Directors of the University of Texas Investment Management Company (UTIMCO), which manages approximately \$45 billion, and is chair of the Risk Committee. In 2015, Mr. Bass was recognized as one of the Top 25 Most Influential People in the Global Patent Market as



named by Intellectual Asset Management magazine. Mr. Bass has lectured on the Chinese financial system at various universities, including Columbia, Harvard, Stanford and Yale. Prior to forming Hayman, Mr. Bass was a Managing Director at Legg Mason and a Senior Managing Director at Bear Stearns. He graduated from Texas Christian University with a degree in finance.

- **Darren Blanton, Non-executive Director:**

- ✓ Mr. Blanton is the Founder and Managing Partner of Colt Ventures, a family office he established to invest his personal capital. He has been a private investor for over 30 years and has invested in over 250 companies across all stages. He has invested in a variety of sectors including oil & gas, technology, real estate, financial services, consumer/retail, biotechnology, and horses.

- **Aaron A. Mitchell, Non-executive Directors:**

- ✓ Aaron Mitchell is a founding member of Lawall & Mitchell, a law firm devoted to business development, first amendment issues, and healthcare reform. His practice includes representation of financial institutions, media companies, energy companies, healthcare providers and facilities, real estate developers, and a range of business entities and individuals in complex disputes, investigations, litigations, examinations, and administrative and enforcement proceedings. Mr. Mitchell is admitted to practice law in New York, New Jersey, Connecticut, and Pennsylvania. He received his Doctorate in Jurisprudence from Pace University School of Law.

### **6.3 Sponsor and Adviser of GTV Media**

The sponsor and adviser of GTV Media, Mr. Wengui Guo (a/k/a Miles Guo, Ho Wan Kwok or Miles Kwok), is a billionaire, a successful businessman and a dissident in China. He knows deeply how the Chinese Communist party (“CCP”) deprives the people of China of



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human rights, justice, freedom of speech, freedom of press and freedom of religion. He is dedicated to overthrow the CCP regime to bring back truth, freedom and justice to the people of China. Miles Guo is the key host of GTV Media.

## **7. Summary of Investment Terms**

GTV Media intends to issue a minimum of 20 million new shares and a maximum of 200 million new shares to Investors at a price of US\$1 per share. In addition, investors will be required to execute and deliver a copy of the Company's stockholders agreement, which provides for certain transfer restrictions on the shares of common stock of the Company.

All transfers will be subject to the approval of the board of directors of the Company, as well as be subject to a right of first refusal in favor of the Company. Investors should read the stockholders agreement carefully.

<b>Terms</b>	<b>Description</b>
Issuer	GTV Media Group, Inc
Share Class	Common Stock
Existing Number of shares issued	1,800,000,000 shares
New number of shares to be issued	Up to 200,000,000 shares
Offer price per share / pre-money valuation	US\$1 per share, equivalent to US\$1,800 million pre-money valuation
Financing Amount	Up to US\$200 million for 10% enlarged share capital of the Company
Target Closing	May 25, 2020

## **8. Investment Suitability and Accredited Investors**

### **8.1 *Suitability***

The common stock of GTV Media will be offered without registration under the Securities Act of 1933, as amended (the "Securities Act"), in



reliance upon certain exemptions therefrom and investors will be required to evidence their compliance with the certain requirements. The principal document to be used for this purpose is the Subscription Agreement. Each investor or other person making an investment decision will be required to represent as follows (without limitation): (1) the investor or investor's advisor(s) has the requisite knowledge or experience to make the investment; (2) the investor knows that the securities have not been registered under the Securities Act and the investor has no right to require such registration; (3) the investor is acquiring the securities on his, her or its own behalf, and not on behalf of any other person and not for resale to others; (4) the investor understands that the right to transfer the securities will be restricted as described herein, and no transfer will be allowed which would violate the Securities Act or applicable state securities laws; (5) the investor has no need for liquidity with respect to its investment and understands that it may lose part or all of its investment in certain cases and (6) the investor is an Accredited Investor, as defined under the Securities Act.

## **8.2 Accredited Investors**

The common stock is being sold without registration under the Securities Act pursuant to exemptions from registration, including an exemption for sales to "**Accredited Investors**" as defined in the Securities Act. Each investor must qualify as an Accredited Investor. In general, Accredited Investors are those investors who meet at least one of the following standards:

- A. the investor is a natural person whose individual income without including his/her spouse's income was in excess of two hundred thousand (\$200,000) dollars (or three hundred thousand (\$300,000) dollars if the income of the individual's spouse is taken into account) in each of the last two years and who reasonably expects to have an individual income in excess of such applicable amount in the current year; or
- B. the investor is a natural person whose individual net worth, or joint net worth with his/her spouse, not including the value of his/her principal residence, exceeds one million (\$1,000,000) dollars; or
- C. the investor is a corporation, partnership, limited liability company or trust;




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- I. in which all of the equity owners qualify as Accredited Investors under sub paragraphs (a) and (b) above; or
- II. with total assets in excess of five million (\$5,000,000) dollars (provided the entity was not formed for the specific purpose of investing in the common stock) and, in the case of a trust, the trust's investment decisions are made by a person whose knowledge and experience in financial and business matters demonstrate that he or she is capable of evaluating the merits and risks of this investment; or
- III. the investor is an employee benefit plan (as defined under Title I of the Employee Retirement Income Security Act of 1974) with:
- IV. assets in excess of five million (\$5,000,000) dollars; or
- V. investment decisions made by a fiduciary that is a bank, savings and loan association, insurance company or registered investment advisor; or
- VI. if a self-directed plan, the plan's investment decisions are made solely by persons who would qualify as accredited investors.

Other categories of Accredited Investors include the following: certain banks and savings and loan associations (whether acting in their individual or fiduciary capacities), certain insurance companies, federally registered investment companies, business development companies (as defined under the Investment Company Act of 1940), Small Business Investment Companies licensed by the U.S. Small Business Administration, private business development companies (as defined in the Investment Advisors Act of 1940), and tax exempt organizations (as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") with total assets in excess of five million (\$5,000,000) dollars which were not formed for the specific purpose of investing in the common stock. A prospective investor must represent in the transaction documents whether the prospective investor satisfies one of the foregoing standards.

## **9. Risk Factors**

An investment in the GTV Media is highly speculative, involves a high degree of risk and is suitable only for persons of substantial means who



have no need for liquidity with respect to their investment and can bear such risks, including the risk of losing their entire investment. It should be recognized that the risks set forth herein are those that, as of the date hereof, seem to the Company to be the most significant. It is suggested that a prospective investor make an independent investigation and evaluation of the risks in and the potential profitability of the Company's business. Prospective investors must realize that other factors may ultimately affect the investment offered in a manner and to a degree that cannot be foreseen. Prospective investors should carefully consider the following:

### ***9.1 Risks relating to the Company's Operations***

#### ***The Company has no operating history.***

The Company is a newly formed company with no operating history. There can be no assurance the Company will successfully implement its business, develop any products or that it will ever operate profitably. The likelihood of its success should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development, with low barriers to entry. The Company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

#### ***Investments in start-up companies are very risky.***

The Company's management may be inexperienced in developing products of the type described in the Company's business plan and investors will not be able to evaluate the Company's operating history. Start-up businesses may also depend heavily upon a single customer, supplier, or employee whose departure would seriously damage the company's profitability. The demand for the company's product may be impacted by the overall economy, or the company could face other risks that are specific to its industry or type of business. The Company may also have a hard time competing against larger companies who can negotiate for provide services on a large scale more economically, or take advantage of bigger marketing budgets. Furthermore, a start-up business could face risks from lawsuits, governmental regulations, and other potential impediments to growth.



***The Company's management has broad discretion in how the Company uses the net proceeds of the sale of common stock.***

The use of the proceeds is this memorandum is illustrative, and the Company's management will have considerable discretion over the use of proceeds from any offering. You may not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately.

***The Company may need additional capital, which may not be available.***

The Company may require funds in excess of its existing cash resources to fund operating deficits, develop new products or services, establish and expand its marketing capabilities, and finance general and administrative activities.

Due to market conditions at the time the Company may need additional funding, or due to its financial condition at that time, it is possible that the Company will be unable to obtain additional funding as and when it needs it. If the Company is unable to obtain additional funding, it may not be able to repay debts when they are due and payable. If the Company is able to obtain capital it may be on unfavorable terms or terms which excessively dilute then-existing equity holders. If the Company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

***The Company faces significant competition***

The Company faces competition from other companies, most of which might have greater experience and financial resources than the Company. The Company's competitors are among the largest and most sophisticated companies in the world. The Company's competitors are larger and have greater financial, technical, marketing and public relations resources, larger customer bases and greater brand recognition. The Company's competitors may be able to provide customers with additional benefits and/or lower prices. The Company may be unable to match such benefits and/or prices, which may cause it



to lose business and market share. One or more of the Company's competitors could offer services similar to those proposed to be offered by the Company at significantly lower prices or higher quality. If the Company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the Company's results of operations and financial condition.

***The Company may not be able to manage its potential growth***

For the Company to succeed, it needs to experience significant and rapid expansion. There can be no assurance that it will achieve this expansion. This expansion, if accomplished, may place a significant strain on the Company's management, operational and financial resources. To manage any material growth, the Company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the Company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations at any increased level. The Company's failure to manage growth effectively could have a material adverse effect on its business, results of operations and financial condition.

***The Company's growth relies on market acceptance***

While the Company believes that there will be significant customer demand for its products/services, there is no assurance that there will be broad market acceptance of the Company's offerings. There also may not be broad market acceptance of the Company's offerings if its competitors offer products/services which are preferred by prospective customers. In such event, there may be a material adverse effect on the Company's results of operations and financial condition, and the Company may not be able to achieve its goals.

We depend on our senior management team and the host and adviser of our program, in particular Mr. Wengui Guo. The loss of one or more key personnel or an inability to attract and retain highly skilled personnel may impair our ability to grow our business



Our success depends in part upon the continued services of our key executive officers, including Yvette Wang, Max Krasner and Daniel Podhaskie, as well as other key personnel. We do not have employment agreements with most of our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they may terminate employment with us at any time with no advance notice. The replacement of our senior management team or other key personnel likely would involve significant time and costs, and the loss of these employees may significantly delay or prevent the achievement of our business objectives.

***We have no history with pricing our services and we may be forced to change the prices we intend to charge for our applications or the pricing models upon which they are based***

We have limited experience with respect to determining the optimal prices and pricing models for certain of our applications and certain geographic markets. As a result, we cannot predict with confidence what our revenues might be, and whether our revenues can support our projected expenses.

## ***9.2 Risks Related to the Securities***

***The purchase price of the securities has been arbitrarily determined and may not be indicative of its actual value or future market prices***

The terms of the sale of common stock, including the purchase price were determined by the Company in connection with its founding shareholder, and does not bear any direct relationship to the assets, results of operations, or book value of the Company, or to any other historically-based criteria of value. In determining such terms, the Company and its founding shareholder were acting on their own behalf and for their own benefit, and without any duty or responsibility to the prospective investors. The purchase price should not be considered as an indication of the Company's actual value or the value of the securities.



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### ***State and federal securities laws***

The securities to be offered have not and will not have been registered under the Securities Act of 1933, in reliance, among other exemptions, on the exemptive provisions of section 4(a)(2) of the Securities Act and Regulation D under the Securities Act. Similar reliance has been placed on apparently available exemptions from securities registration or qualification requirements under applicable state securities laws. No assurance can be given that any offering will qualify or will continue to qualify under one or more of such exemptive provisions due to, among other things, the adequacy of disclosure and the manner of distribution, the existence of similar offerings in the past or in the future, or a change of any securities law or regulation that has retroactive effect. If, and to the extent that, claims or suits for rescission are brought and successfully concluded for failure to register any offering or other offerings or for acts or omissions constituting offenses under the Securities Act, the Securities Exchange Act of 1934, or applicable state securities laws, the Company could be materially adversely affected, jeopardizing the Company's ability to operate successfully. Furthermore, the human and capital resources of the Company could be adversely affected by the need to defend actions under these laws, even if the Company is ultimately successful in its defense.

Compliance with the criteria for securing exemptions under federal securities laws and the securities laws of the various states is extremely complex, especially in respect of those exemptions affording flexibility and the elimination of trading restrictions in respect of securities received in exempt transactions and subsequently disposed of without registration under the Securities Act or state securities laws.

***The securities will not be registered, and no one has passed upon either the adequacy of the disclosures contained herein or the fairness of the terms of the sale of common stock***

No governmental agency will have reviewed the terms of sale of common stock and no state or federal agency will pass upon either the adequacy of the disclosure contained herein or the fairness of the terms of any offering. The exemptions relied upon for such offerings are significantly dependent upon the accuracy of the representations of the investors to be made to the Company in connection with any such offering. In the event that any such representations prove to be untrue,



the registration exemptions relied upon by the Company in selling the securities might not be available and substantial liability to the Company would result under applicable securities laws for rescission or damages.

***There is no public trading market for the securities, and none may develop. The securities to be sold are restricted and not freely transferable***

There has been no public or private market for the Company's securities, and there can be no assurance that any such market would develop in the foreseeable future. There is, therefore, no assurance that the securities can be resold at all, or near the purchase price. You will be required to represent that you are acquiring such securities for investment and not with a view to distribution or resale, that you understand that the securities are not freely transferable and, in any event, that you must bear the economic risk of an investment in the securities for an indefinite period of time because the securities have not been registered under the Securities Act or applicable state Blue Sky or securities laws. The securities cannot be resold unless they are subsequently registered or an exemption from registration is available. In addition, the Company's stockholders agreement, which you will be required to execute, restricts resales of the Company's securities without the approval of the Company's board of directors.

Further, there can be no assurance that the Company will ever consummate a public offering of any of the Company's securities. Accordingly, investors must bear the economic risk of an investment in the securities for an indefinite period of time. Even if an active market develops for such securities, Rule 144 promulgated under the Securities Act ("Rule 144"), which provides for an exemption from the registration requirements under the Securities Act under certain conditions, requires, among other conditions, for resales of securities acquired in a non-public offering without having to satisfy such registration requirements, a six-month holding period following acquisition of and payment in full for such securities assuming the issuer of such securities has filed periodic reports with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act") for a period of 90 days prior to the proposed sale. If the issuer of such securities has not made such filings, such securities will be subject to a one-year holding period before they can be resold under Rule 144. There can be no assurance that the Company will fulfill any reporting requirements in the future under the



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Exchange Act or disseminate to the public any current financial or other information concerning the Company, as is required by Rule 144 as part of the conditions of its availability.

THERE CAN BE NO ASSURANCE THAT THE COMPANY WILL EVER FILE A REGISTRATION STATEMENT TO REGISTER SUCH SECURITIES, THAT SUCH REGISTRATION STATEMENT WILL BECOME EFFECTIVE, OR THAT ONCE EFFECTIVE, SUCH EFFECTIVENESS WILL BE MAINTAINED.

***The Company is not subject to Sarbanes-Oxley regulations and may lack the financial controls and procedures of public companies***

The Company may not have the internal control infrastructure that would meet the standards of a public company, including the requirements of the Sarbanes Oxley Act of 2002. As a privately-held (non-public) Company, the Company is currently not subject to the Sarbanes Oxley Act of 2002, and its financial and disclosure controls and procedures reflect its status as a development stage, non-public company. There can be no guarantee that there are no significant deficiencies or material weaknesses in the quality of the Company's financial and disclosure controls and procedures. If it were necessary to implement such financial and disclosure controls and procedures, the cost to the Company of such compliance could be substantial and could have a material adverse effect on the Company's results of operations.

***The Company does not intend to pay dividends for the foreseeable future***

You are not entitled to receive any dividends on your interest in the Company and the Company does not intend to pay any dividends in the foreseeable future. Any potential investor who anticipates the need for current dividends or income from an investment in the securities should not purchase any of the securities.

***Saraca owns a controlling interest in the Company, and can exercise significant control over the Company***



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Because Saraca will own at least 80% of the Company's common stock, they can exert significant control over the Company's business and affairs and have actual or potential interests that may depart from purchasing the common stock. Saraca will have complete control over all corporate actions requiring stockholder approval, irrespective of how the Company's other stockholders, including purchasers of the common stock, may vote, including the following actions:

- to elect or defeat the election of the Company's directors;
- to amend or prevent amendment of the Company's Certificate of Incorporation or By-laws;
- to effect or prevent a merger, sale of assets or other corporate transaction; and
- to control the outcome of any other matter submitted to the Company's stockholders for vote.
- Saraca's ownership may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could reduce the Company's stock price or prevent the Company's stockholders from realizing a premium over the Company's stock price.

***The Company may not have audited financial statements nor is it required to provide investors with any annual audited financial statements or quarterly unaudited financial statements***

The Company may not have audited financial statements or audited balance sheets reviewed by outside auditors. In addition, the Company is not required to provide investors with financial information concerning the Company to which the investors may use in analyzing an investment in the Company. Therefore, your decision to make an investment in the Company must be based upon the information provided to the investors in its private placement documents without financial statements information and therefore, the limited information provided herewith with which investors will make an investment decision may not completely or accurately represent the financial condition of the company.

Furthermore, as a private owned company not subject to reporting requirements under the Securities Exchange Act of 1934, the Company is not required to provide you with annual audited financial statements or quarterly unaudited financial statements.



### **9.3 Technology Related Risks**

#### ***The Company May Not Successfully Introduce New Products***

The Company currently expects to introduce new products and services, as described in the memorandum. Although it believes it will be able to develop these products and services, the Company cannot make any assurances that the Company can develop them quickly, on a cost-effective basis and/or with any or all of the features described in the memorandum. Any new service or product the Company introduces that is not favorably received could damage its reputation and the perception of the Company. The failure of any new products or services to achieve market acceptance and generate revenue could result in a material adverse effect on the business, results of operations and financial condition and the value of the Company and your investment.

#### ***Third Party Operations and Infrastructure***

The Company's products will rely on the infrastructure, proper operation and compatibility with customer devices and other third-party operations and infrastructures that will be beyond its control. Any of these operations or infrastructure may limit the usefulness or value of its products and/or the Company's overall performance.

#### ***Failure to Meet Customer Expectations***

If the Company's services or products have significant defects or errors or fail to meet customers' expectations, the Company may lose revenue, be required to implement costly improvements and/or receive negative publicity.

#### ***Intellectual Property Risks***

The Company may seek to protect its intellectual property through patent applications, trademark filings and confidentiality agreements, as appropriate. The Company cannot assure that measures it takes to protect its intellectual property will be successful. In addition, the Company could be subject to intellectual property infringement claims by



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others. The Company's failure to protect against misappropriation of its intellectual property, or claims that it is infringing the intellectual property of third parties could have a negative effect on the Company's business, results of operations and financial condition.

### ***Technology is Constantly Changing***

To remain competitive the Company must continue to enhance and improve its products. If future competitors introduce new products and services with new technologies, or if new industry standards and practices emerge, its technology may be rendered obsolete. The Company may use new technologies ineffectively or fail to adapt its products to customer requirements, or emerging industry standards. If the Company experiences delays in introducing new solutions, customers may forego the use of its products and use those of its competitors. If it fails to react effectively to technological changes, it will materially and adversely affect The Company's business, results of operations and financial condition.

### ***Cybersecurity***

The Company depends on complex information technology and communication systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Company despite its efforts to adopt technologies, processes and practices intended to mitigate these risks and protect the security of its computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to it. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Company or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Company's systems to disclose sensitive information in order to gain access to the Company. A successful penetration or circumvention of the security of the Company's systems could result in the loss or theft of data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs.



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Such incidents could cause the Company to incur penalties, reputational damage, additional compliance costs or financial loss.